

Assembly Bill No. 2276

CHAPTER 801

An act to add Section 5930 to the Corporations Code, relating to health facilities.

[Approved by Governor September 28, 2000. Filed
with Secretary of State September 28, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2276, Cedillo. Health facilities.

Existing law provides for the regulation of nonprofit public benefit corporations.

This bill would require the Attorney General to prepare a plan for an evaluation of whether additional standards for charitable care and community benefits should be established for private, not-for-profit corporations that operate or control a general acute care hospital, as defined. The Attorney General would be required to submit the plan to the appropriate committees of the Legislature by March 1, 2001.

Existing law, the Cedillo-Alarcon Community Care Investment Act of 2000, which will take effect on January 1, 2001, authorizes the California Health Facilities Financing Authority to award grants to any eligible participating primary care clinic for purposes of financing capital outlay projects and requires the authority to develop selection criteria and a process for awarding these grants.

This bill would authorize the authority to adopt emergency regulations to implement that act.

The people of the State of California do enact as follows:

SECTION 1. Section 5930 is added to the Corporations Code, to read:

5930. (a) The Attorney General shall prepare a plan for an evaluation of whether additional standards for charitable care and community benefits should be established for private, not-for-profit corporations that operate or control a general acute care hospital as defined in Section 1250 of the Health and Safety Code.

(b) In preparing the plan, the Attorney General shall consult with representatives of interested parties, including, but not limited to, all of the following:

- (1) Health facility associations.
- (2) Physician organizations.
- (3) Consumer groups.
- (4) Health care employee organizations.
- (5) Community groups.

(6) The Office of Statewide Health Planning and Development.

(c) The plan shall provide for the evaluation of all of the following:

(1) The degree to which private, not-for-profit hospitals provide charitable care and community benefits, including the nature of the benefits, the definition of the community, and a comparison of the cost of providing the benefit with the value of the benefits given to the community.

(2) The implications of the relationships among private not-for-profit hospitals and affiliated entities, as defined in Section 5031 of the Corporations Code, for purposes of determining community benefits.

(3) The role of the board of directors of private, not-for-profit hospitals in ensuring benefit to the community.

(d) The plan shall be submitted to the appropriate policy and fiscal committees of the Legislature by March 1, 2001.

SEC. 2. The California Health Facilities Financing Authority may adopt emergency regulations to implement the Cedillo-Alarcon Community Clinic Investment Act of 2000, Section 15438.6 of the Government Code, as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of any emergency regulation pursuant to this section filed with the Office of Administrative Law on or before July 1, 2001, shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any emergency regulation adopted pursuant to this section shall remain in effect for no more than 360 days.

